

The U.S. BANK *Purchasing* *Card* PROGRAM.



POLICIES & PROCEDURES MANUAL

Mark Parry
State Purchasing Card Program Administrator
Ph. (801)537-9243 Fax (801)537-9240
5110 State Office Building, SLC, UT, 84114

State of Utah
Purchasing Card

1.0 Overview

The purpose of the State of Utah Purchasing Card Program is to establish a more efficient, cost-effective method of purchasing and payment. The program is designed to supplement a variety of processes including petty cash, local check writing, low-value authorizations, and repetitive purchase orders.

All cards are issued per your Department policies. Card usage may be audited and/or rescinded at any time. **You are the only person entitled to use your card!**

This booklet provides the guidelines under which you may utilize your Purchasing Card. Please read it carefully. Your signature on the enclosed Cardholder Agreement indicates that you understand the intent of the program and agree to adhere to the guidelines established for the program. You will receive your State of Utah Purchasing Card upon receipt of the signed Agreement to Accept the Purchasing Card, and you may begin using it immediately upon receipt. As you use the card, please contact your manager or the State Purchasing Card Program Administrator if you have questions.

Record keeping will be essential to ensure the success of this program. This is not an extraordinary requirement — State Finance and Purchasing policies require retention of receipts, competitive price quotations, etc. And as with any charge card, you must retain receipts for your protection and the State's protection.

Finally, remember you are committing State funds each time you use the State of Utah Purchasing Card. This is a responsibility that cannot be taken lightly!

2.0 Policies and Procedures

2.1 To obtain a card

We recommend that you read the Policy and Procedures section in its entirety before requesting your State of Utah Purchasing Card. This section provides a variety of information about the process, the types of purchases that can and cannot be made, who will accept the card, records that must be maintained and reconciled monthly and miscellaneous information about the program.

After you read this and understand the procedures outlined, complete a US Bank/State of Utah Purchasing Card Application. Indicate your office address on the form to receive statements and correspondence related to the program. Please do not use any special characters in these fields. (i.e. @#\$%)

Your manager must indicate approval by signing the form. All requests will be processed through the State Purchasing Card Program Administrator.

During this process the prospective cardholder must attend a cardholder training session. These training sessions will be conducted by the Site Coordinator.

At the conclusion of your training session you will be given the form “Agreement to Accept the US Bank VISA Purchasing Card”. Please read this carefully. It explains the conditions under which you receive the Purchasing Card. If you are in agreement with what is stated sign your name and have your manager also sign. Then turn the form into the Purchasing Card Administrator. You then will receive your purchasing card.

When you receive your card, sign the back of the card and always keep it in a secure place! Although the card is issued in your name, **it is the property of the State and is only to be used for State purchases as defined in this document.**

2.2 General information

- The program helps to eliminate the use of repetitive purchase orders, petty cash, requests for checks, and the use of personal funds reimbursed by expense report.
- The program is **NOT** intended to avoid or bypass appropriate purchasing or payment procedures. Rather, the program complements the existing processes available.
- **The program is not intended to replace the current travel and entertainment program, and should not be used for travel reimbursable expenses.**
- **The card is not to be used for personal use.**
- The program can be used for in-store purchases as well as mail, e-mail, internet, telephone and fax orders.
- **You** are responsible for the security of your card(s) and the transactions made with the card(s). The card is issued in your name and it will be assumed that any purchases made with the card will have been made by you. Failure to comply with the guidelines established for this program may result in severe consequences, **up to and including termination of employment.**

2.3 Examples of when the Purchasing Card may be used:

- The card may be used to purchase from State Contracts. In accordance with the state Procurement code, please remember that any transaction that is not on contract and exceeds \$1000** must be accompanied by telephone quotations, also any transaction over \$5,000 and not on contract must go through the Division of Purchasing's formal bid process.
- Business-related uses, subscriptions, seminars, dues, books, video tapes
- Office supplies, furniture, forms, computer supplies, software, and hardware
- Small tools (purchase/rental), Electrical, safety, and building maintenance supplies
- Film and film processing
- Cell phone bills/utilities
- Certain Allowable Travel Expenditures:
 - Conference registrations or seminar rooms
 - In-state group gatherings
 - Paying for a block of rooms at a hotel
 - Paying for items that will not be personally reimbursed to anyone by the state

2.4 Examples of when the Purchasing Card may not be used:

- Any merchant, product, or service normally considered to be inappropriate use of State funds
- Capital equipment purchases/repairs
- Travel reimbursable expenses
(NOTE: individual rooms for lodging may be reserved or held, but not paid for by a purchasing card)
- Gift cards – see Finance Rules for specifics
(NOTE: gift cards are *CASH EQUIVALENTS* and are recorded in the Payroll System or as 1099 payments which are not allowed by purchase card policy)

2.5 Services (1099 eligible)/Unincorporated Suppliers

Do not use the card to pay for any 1099 eligible services. Refer to financial policies (FIACCT 05-19.00) for any further information.

For example:

- Personal services
- Hospital or Doctor visits
- Consultants
- Attorney fees

2.6 Built-in restrictions

Each card has been assigned an **individual credit limit** that is based on previous purchasing activity. If you find over time that the limit is too low to accommodate your monthly requirements, please contact your manager to re-evaluate your limit. If your manager agrees that it would be appropriate to raise your limit, the manager should contact the Program Administrator so that U.S. BANK personnel can perform appropriate maintenance. U.S. Bank will not change your credit limit without the approval of the Program Administrator.

Some supplier's **Merchant Category Code (MCC's)** codes have been "blocked" from usage in the program. If you present your card to any of these suppliers, the transaction will be declined. It is likely that any supplier you currently utilize as a source for products or services will accept your card. If you are declined and feel the decline should not have occurred, call the 800 number on your card (800-344-5696). U.S. Bank Customer Service will determine if you were declined because of merchant blocking or exceeding the monthly credit limit or single-purchase limit imposed on your card.

3.0 The Purchasing Card Log

(Example in Forms Appendix)

The Purchasing Card Log becomes an ongoing record of information about the transactions made on your card. The form is simple and easy to use, and will require a minimum amount of time to maintain.

If the purchase is between \$1000.00 and \$5,000.00 and not on contract you will need to keep documentation of the three price quotations you have received to comply with State Purchasing policy.

Individual receipts typically itemize merchandise purchased. The log allows management to review the types of goods and services purchased on the card and determine where the card is being used. It also provides a record of activity enabling you to reconcile your Monthly Reconciliation Statement. In addition, the receipts retained in conjunction with the log provide the documentation necessary should there be an audit.

Always obtain a receipt when using the Purchasing Card. This is not an extraordinary requirement — you currently do this for reimbursement purposes. In the log, record the date of the transaction, the name of the supplier, identifies the merchandise purchased, and the dollar value of the sale. A separate line item is required for each purchase. Indicate if the order was placed via phone, faxed, mail, e-mailed or in person.

This log is the record against which you will reconcile your Monthly Reconciliation Statement. The original log must be signed by your manager to indicate approval and review. Original documents will be retained and stored in accordance with agency policy consistent with other financial documents.

4.0 Specific cost accounting needs

Each card is hard coded with a predetermined FiNet coding block. The purpose of this program is to simplify processes for small dollar purchases.

In many cases, these purchases will now be categorized in a special U.S. Bank account code and will no longer be divided into a variety of departmental accounts. However, for those purchases that need to be directed to different cost accounts, whether for legal, tax,

or contract accounting issues, *it may be appropriate for you to have multiple cards representing these specific accounts*. Otherwise, your agency accounting may be required to transfer costs from your account statement and/or Purchasing Card Log to the correct account code. Please consult with your manager to determine the best course of action for your accounting needs.

5.0 Reconciliation and payment

The U.S. Bank Purchasing Card Program carries corporate, not individual, liability. Invoices will be paid by your agencies Accounts Payable Department and you will not be required to pay your Monthly Statement using personal funds. **The program does not impact your personal credit rating in any way.**

6.0 It is required, however, that you retain all receipts for goods and services purchased!

If you purchase via phone, fax, mail, e-mail, or other electronic means, ask the supplier to include an itemized receipt with the goods when the product is shipped to you. This itemized receipt is the only original documentation specifying whether or not sales tax has been paid against the purchase. It will also be used for auditing purposes.

Each cardholder will receive a statement identifying all transactions made against the card during the previous billing cycle. The statement will be mailed to you at the address identified on your New Account Information Record. The statement must be reconciled against your Purchasing Card Log and the retained receipts for accuracy. Please forward your reconciled statement to your manager for review and approval. The statement will be forwarded to your agencies Accounts Payable Department for retention in case of a state audit.

Actual payment of a central invoice will be made by your agencies Accounts Payable; however your activity may be audited at any time.

7.0 If your records don't agree with your statement

(Example in Forms Appendix)

There may be occasions when items on your statement do not correlate with the entries in your log or your retained receipts. You may not have made the transaction, the amount of the transaction may be incorrect, or you may have a quality or service issue.

First contact the supplier involved to try to resolve the error. If the supplier agrees that an error has been made, he/she will credit your account. Highlight the transaction in question on your log as a reminder that the item is still pending resolution.

Second if the supplier does not agree that an error has been made, contact U.S. Bank Customer Service using the 800 number on the back of your Purchasing Card (800-344-5696). State that you would like to dispute a charge on your card. You will be asked to submit the information in writing so that U.S. Bank can research the disputed item. You may fax the completed Purchasing Cardholder Dispute Form to your representative at U.S. Bank. The amount of the next invoice will be reduced by the amount of the disputed item until the transaction in question is resolved.

8.0 Disputed Transactions

(Example in Forms Appendix)

Any transaction you wish to dispute **must be identified in writing to U.S. Bank with a copy sent to State Purchasing Card Program Administrator, within 60 days of the statement date.** Disputes will then be resolved by U.S. Bank within 90 days. If a dispute is not identified in writing to U.S. Bank within 60 days of the statement date the issue must then be resolved between the agency and the supplier.

You are responsible for the transactions identified on your statement. If an audit is conducted on your account, you must be able to produce receipts and/or proof that the transaction occurred. If an error is discovered, you are responsible for showing that the error or dispute resolution process was completed.

9.0 Lost or stolen cards

The U.S. Bank Purchasing Card is the State of Utah's property and should be secured just as you would secure your personal credit cards. If your card is lost or stolen, notify the Program Administrator, and contact U.S. Bank Customer Service (800-344-5696) immediately! Written confirmation of cancellation must then be accomplished by mail or fax to the State Purchasing Card Program Administrator.

Upon receipt of your call, further use of the card will be blocked. Prompt action in these circumstances can reduce the company's liability for fraudulent charges.

10.0 Sales and use tax

You should NOT pay sales tax. Your card will state tax exempt on it.

You may be charged tax when you suspect you should not. We realize there may be an insignificant number of cases where tax will be paid unnecessarily. In these situations present a tax exemption certificate verifying that the purchase is exempt.

Should you have additional questions regarding whether or not tax should be paid, please contact the State Purchasing Card Program Administrator for assistance.

11.0 Suppliers who do not accept the card

Although we do not endorse Visa or any of its associated banks specifically, we encourage suppliers to become involved in the State of Utah Purchasing Card Program so that cardholders can use the program most effectively.

Suppliers may contact their local bank or financial institution to become Visa capable, or they may contact the provider of the Purchasing Card Program, U.S. Bank, Minneapolis, Minnesota, for assistance. These institutions can implement the processing of charge card transactions by suppliers.

12.0 In summary

- Suppliers are paid within three days of your business transaction. **Please indicate to suppliers that you do not wish to be invoiced, as an invoice could result in duplicate payment. However you should always request an itemized receipt.**
- The program is designed to be simple and easy to use, providing you with the materials needed to perform your job more quickly and efficiently. However, appropriate controls must also be maintained to ensure the ongoing success of the program.
- We ask you to exercise good judgment and act responsibly when using your Purchasing Card. The Purchasing Card is issued in your name, and all activity will be assumed to have been incurred by you. We ask you to maintain your Purchasing Card Log accurately and always retain your receipts!
- In addition, random audits may be conducted for card activity, retention of receipts/sales slips, as well as for your Purchasing Card Log. **Consequences, ranging from suspension of cards to termination of employment, will be invoked for improper use of the program.**
- Your feedback regarding this program is important! You are testing a new concept and the procedures developed for our organization. We need to know if you have issues or concerns, and we welcome suggestions for improvement.
- We continue to improve the way we conduct business. Your use of this program in conducting your daily business can help us make significant change in eliminating a variety of manual transactions. If you have any questions about the program or need additional information, please contact the Program Administrator.

13.0 HELP!

Mark Parry

State Purchasing Card Program Administrator

Phone: (801) 537-9243 Fax: (801)537-9240

5110 State Office Building, SLC, UT, 84114-1110

Matt Jenkins

State Purchasing Card Coordinator

Phone: (801) 538-3615 Fax: (801)537-9240

5110 State Office Building, SLC, UT, 84114-1110

U.S. Bank Customer Service

1-800-344-5696

Toll-free: 24-hour, 7 days-per-week servicing.

Electronic Purchasing Services Home Page

<http://www.purchasing.utah.gov>

ePurchasing link

Forms Appendix

- Example Monthly Statement
- Purchasing Card Transaction Log
- Dispute Resolution Form
- US Bank/State of Utah Purchasing Card Application
- Agreement to Accept the US Bank VISA Purchasing Card.

Statement

U.S. BANK NATIONAL ASSOCIATION ND
C/O U.S. BANCORP SERVICE CENTER, INC.
P.O. BOX 6343
FARGO, ND 58125-6343

4246-0400-0123-4567

ACCOUNT NUMBER

REMIT TO:
U.S. BANK NATIONAL ASSOCIATION ND
C/O U.S. BANCORP SERVICE CENTER, INC.
PO BOX 6310
FARGO, ND 58125-6310

PAT SMITH
1010 SOUTH SEVENTH STREET
MINNEAPOLIS, MN 55402

PAYMENT DUE ON RECEIPT
0.00

AMOUNT ENCLOSED

\$

PLEASE MAKE ANY ADDRESS CHANGES ON
THE BACK OF THIS PAYMENT COUPON

4246-0400-0123-4567 00613520

POSTING DATE	DESCRIPTION	TRANS DATE	REFERENCE NUMBER	AMOUNT CR - CREDIT PY - PAYMENT
07-23	COMPUAADO CORP AUSTIN TEX	07-20	7430701135522400001808 5961	\$ 23.89
07-30	WALL MARK OF BOSTON	07-28	74054011361101543189791 7372	84.90
08-10	UNITED ENGIN TRUSTEES NEW YORK	08-07	74054011361101543189791 1203	17.25
08-14	THE BOOK MAZE LENOX MA	08-11	74054011361101543189791 9044	139.90
08-15	ONSET COMPUTER CORP	08-10	74054011361101543189791 9044	251.88
08-15	BERKSHIRE COMM INC	08-08	74054011361101543189791 5961	370.00
08-15	J & R SOUND/MAIL ORDER CAMDEN NY	08-13	74054011361101543189791 7273	415.74
08-16	J & R SOUND/MAIL ORDER CAMDEN NY	08-14	74054011361101543189791 5961	4.20
08-17	COMPUTER LANS SPFLD MA	08-14	74054011361101543189791 9044	310.00
08-19	DEPOSIT TRACKING DEPOSIT	08-18	74054011361101543189791 4214	460.00
			TOTAL AMOUNT OF MEMO ITEMS	209776

		ACCOUNT NUMBER	ACCOUNT SUMMARY	
SEND BILLING INQUIRIES TO:	U.S. BANK NATIONAL ASSOCIATION ND C/O U.S. BANCORP SERVICE CENTER, INC. P.O. BOX 6344 FARGO, ND 58125-6344	4246-0400-0123-4567	PREVIOUS BALANCE	0.00
			PURCHASES & OTHER CHARGES	0.00
			CASH ADVANCES	
			STATEMENT DATE	
		08/22/98	CREDITS	0.00
			PAYMENTS	0.00
CUSTOMER SERVICE PHONE		LOST/STOLEN CARDS CALL	LATE PAYMENT CHARGE	
			CASH ADVANCE FEE	
			NEW BALANCE	
1-800-344-5696		1-800-344-5696		

Purchasing Card Transaction Log

Month of _____

CARD HOLDER NAME:	MAIL STATION:
CARD NUMBER:	PHONE:
COST CENTER:	MANAGER'S NAME

#	Date	Merchant	Item Purchased	Subtotal	Freight	Total
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
			Log Total			
			Statement Total			

Enclose all receipts and monthly statement. Reconciliation must be completed by the 15th of each month to identify incorrect charges.

Cardholder's signature _____ Date _____

Manager's Signature _____ Date _____

PURCHASING CARDHOLDER DISPUTE FORM

CARDHOLDER INFORMATION

Name: _____ Address: _____

City/State/Zip: _____ Work Phone: _____

Home Phone: _____ Account No. _____

SIGNATURE: _____ Date: _____

DISPUTE

- ☐ Credit Not Posted (Attach Credit Slip)
- ☐ Duplicate Posting
- ☐ Erroneous Amount (Attach Sales Receipt)
- ☐ Other _____

MERCHANT NAME/DESCRIPTION	DOLLAR AMOUNT
_____	_____
_____	_____
_____	_____
_____	_____

DESCRIBE DISPUTE:

SEND DISPUTE TO:

U.S. Bank Visa Purchasing Card
Attn: Purchasing Card Disputes
P.O. Box 6344
Fargo, ND 58125-6344

Customer Service:
Toll Free: 1-800-344-5696
Fax: 701-461-3463

Agreement to Accept the U.S. Bank Visa® Purchasing Card

Your new U.S. Bank Visa® Purchasing Card represents the State's trust in you. You are empowered as a responsible agent to safeguard State assets. Your signature below is verification that you have read the employee policies and procedures and agree to comply with them as well as the following responsibilities. It also acknowledges that you have received the U.S. Bank Visa® Purchasing Card # _ _ _ _ - _ _ _ _ - _ _ _ _ - _ _ _ _

1. I understand the card is for State-approved purchases only, and I agree not to charge personal purchases.
2. Improper use of this card can be considered misappropriation of State funds. This may result in disciplinary action, up to and including termination of employment.
3. If the card is lost or stolen, I will immediately notify U.S. Bank by telephone. I will confirm the telephone call with mail or facsimile and send a copy of the notification to the Program Administrator.
4. I agree to surrender the card immediately upon termination of employment, whether for retirement, voluntary or involuntary reasons.
5. The card is issued in my name. I will not allow any other person to use the card. I am considered responsible for any and all charges against the card, but not for payment.
6. All charges will be billed directly to and paid directly by the State of Utah. The bank cannot accept any monies from me directly; therefore any personal charges billed to the State could be considered misappropriation of State funds.
7. As the card is State property, I understand that I may be periodically required to comply with internal control procedures designed to protect State assets. This may include being asked to produce the card to validate its existence and account number. I may also be asked to produce receipts and statements to audit its use.
8. I will receive a Monthly Reconciliation Statement, which will report all activity during the statement period. Since I am responsible for all charges (but not for payment) on the card. I will resolve any discrepancies by either contacting the supplier or the bank.
9. The charges made against my card are automatically assigned to the cost center assigned to the card as specified by management. This code cannot be changed without management involvement. When changed, the new accounting code will not affect any charges made prior to the change, but will affect future charges.
10. I understand the U.S. Bank Purchasing Card is not necessarily provided to all employees. Assignment is based on my need to purchase goods for the State. My card may be revoked based on change of assignment or location. I understand that the card is not an entitlement nor reflective of title or position.

Employee Signature

Approving Manager Signature

Employee Printed Names

Approving Manager Printed Name

Date: _____

Date: _____